

GW-007

REPORT

Well No. 4 Form C-103

YEAR(S):

Sept. 14, 2007

AUSTIN
3345 Bee Cave Road
Suite 201
Austin, Texas 78746 USA
Tel 512.732.9812
Fax 512.732.9816



HOUSTON
1001 McKinney
Suite 1445
Houston, Texas 77002 USA
Tel 713.559.9950
Fax 713.559.9959

September 14, 2007

Mr. Carl J. Chavez
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Western Refining Company, LP – Well No. 4 (30-025-35957) Form C-103

Dear Mr. Chavez:

Lonquist Field Service, LLC (LFS) has recently completed the workover and testing of Well No. 4, API No. 30-025-35957, on September 8, 2007. This transmittal letter includes the following attachments:

- Form C-103
 - (3) Copies to be submitted to District I Office
- Pressure recorder charts from casing pressure test
- Digital Vertilog and Cement Bond Log – 9 5/8" Casing
- Cement Report – 7" Liner
- Wellbore Schematic

A sonar survey was completed on Well No. 4 and the results are summarized as follows:

- Cavern TD – 2616'
- Cavern Roof – 1666'
- Cavern Volume – 134,721 bbls
- Cavern Cross Sections are attached to this letter

The complete sonar survey will be submitted to NMOCD upon completion of the final sonar report.

The Mechanical Integrity Test was also completed using the Nitrogen-Brine Interface Test Method. The test results are summarized as follows:

- Test Gradient – 0.76 psi/ft
- Minimum Detectable Leak Rate – 615.76 bbls/year
- Calculated Leak Rate – 245.19 bbls/year
- MIT Executive Summary is attached to this letter

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The complete MIT report will be submitted upon completion and receipt of MIT logs.

Please feel free to contact me (832-216-0785) or via email (eric@lonquist.com) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Busch", is written over a faint, larger version of the same signature.

Eric Busch
Operations Manager

Cc: NM OCD – District I, Hobbs, NM
Bruce Davis – Western Refining, El Paso, TX
Ken Parker – Western Refining, Jal, NM
LFS – Project Files

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-35957
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 30055
7. Lease Name or Unit Agreement Name 30055
8. Well Number 4
9. OGRID Number 248440
10. Pool name or Wildcat Salado

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other LPG STORAGE WELL

2. Name of Operator
Western Refining Company, LP

3. Address of Operator
PO Box 1345 Jal, NM 88252

4. Well Location
 Unit Letter M : 1000 feet from the SOUTH line and 1230 feet from the WEST line
 Section 32 Township 23S Range 37E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3311' - KB 3304' - GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

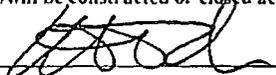
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The following activities were completed on Well No. 4:

- 07/13/2007 - Pull 4 1/2" Tubing
 - o 2,566.83' - 4 1/2", 16.60 lb/ft, FH Drill Pipe
- 07/14/2007 - Complete casing and cement bond logs
 - o See attached logs
- 08/07/2007 - Run 7" Casing Liner @ 1582'
 - o 7" Casing - 23 lb/ft, K-55, LT&C
 - Set @ 1528'
 - o Cement Liner - 225 sks of Premium Plus Class C Cement - 14.8 ppg/Yield - 1.33
 - o Circulated to surface with 10.5 sks
- 08/10/2007 - Pressure test 7" casing for OCD
 - o Pressure test based on NMOCD Rules
 - o See attached pressure chart - OCD approved pressure chart
 - o Pressure tested to 360 psig
- 08/10/2007 - Completion and testing of 7" liner installation
- 08/12/2007 - Run 4 1/2" Casing
 - o 4 1/2" Casing - 11.6 lb/ft, K-55, LT&C - W/MULE SHOE
 - o Run casing to 2568'
- 08/15-19/2007 - Complete Nitrogen-Brine MIT
 - o Test Results
 - Pressure Gradient - 0.76 psi/ft
 - Minimum Detectable Leak Rate (MDLR) - 615.76 bbls/year
 - Calculated Leak Rate (CLR) - 245.19 bbls/year
 - o Test successful - MIT Report to be submitted under separate cover
- 08/21/2007 - Pull 4 1/2" casing and lay down bent pipe

- 08/22 – 30/2007 – Run a mixed string of 4 ½” casing and tubing
 - 4 ½”, 15.50 lb/ft, PH-6, (2670’ – 1666’)
 - 6 ¼” drill bit on bottom
 - 4 ½”, 11.6 lb/ft, LT&C (1666’ – SURFACE)
- 08/31/2007 – Run deviation survey
- 08/31/2007 – Cut off drill bit with casing cutter
- 09/01/2007 – Complete Sonar Survey
 - Measured Cavern TD – 2616’
 - Cavern Roof - 1666’
 - Cavern Volume – 134,721 bbls
- 09/08/2007 – Make final casing cut
 - Cut 4 ½” casing @ 2,607’
 - Storage Volume – 133,285 bbls
- Final Sonar Survey will be submitted upon completion of final logs
- Final Cavern MIT to be submitted upon completion of final logs
- Attached Schematic includes all pertinent data

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE  TITLE Operations Manager – Lonquist Field Service DATE 09/13/2007

Type or print name Eric Busch
For State Use Only

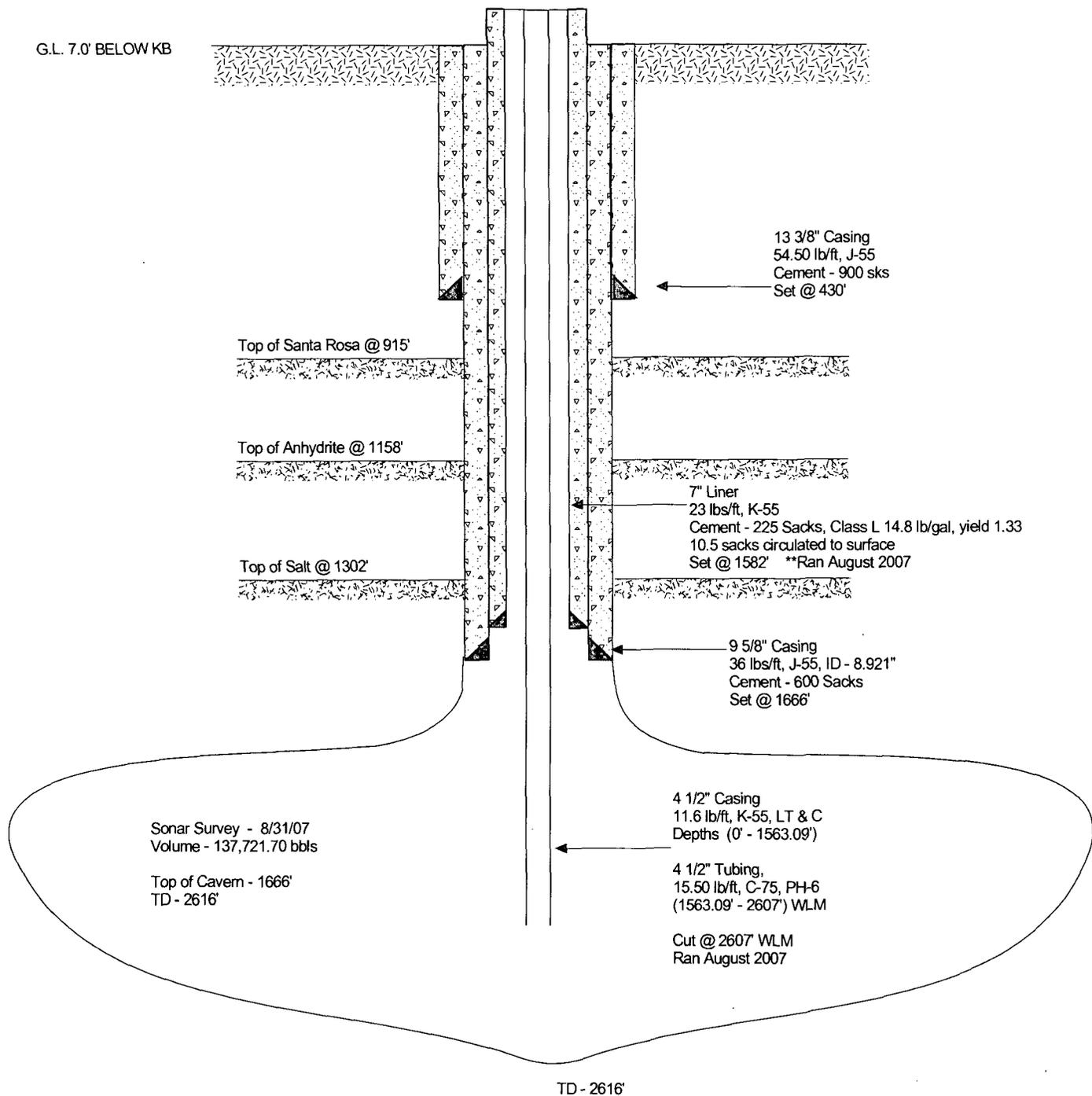
E-mail address: eric@lonquist.com Telephone No.: 713.559.9953

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



Well Information
 Well Name: State LPG Well No. 4
 API #: 30-025-35957
 County: Lea



Note: All measurements are from KB



Well No. 4 - 2007 Well Schematic

JAL Storage Facility

PROJECT NUMBER:
F143

DRAWN: TJB	REVIEWED: ETB	APPROVAL: NONE	SCALE: NONE	DATE: AUGUST 2007	DRAWING NUMBER:
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Handwritten signatures and notes:
Fred
Sandy
John
WELL #4

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

8-10-07

Chart Drive 60m.w
Ongoing Test
ATE 30-025-35957

BR 2221

HALLIBURTON

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 347563	Ship To #: 2590896	Quote #:	Sales Order #: 5281995
Customer: LONQUIST FIELD SERVICE LLC		Customer Rep: LINDT, JERRY	
Well Name: WESTERN REFINING	Well #: 4	API/UWI #:	
Field:	City (SAP): HOBBS	County/Parish: Lea	State: New Mexico
Contractor: LFS	Rig/Platform Name/Num: Basic Energy		
Job Purpose: Cement Liner			
Well Type: Storage Well		Job Type: Cement Liner	
Sales Person: THORNTON, PAUL		Srcv Supervisor: EDWARDS, CHARLIE MBU ID Emp #: 325233	

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
EDWARDS, CHARLIE L	5.5	325233	GONZALEZ, HERBER Perez	5.5	305567	PORTEE, FREDERICK D	5.5	418297
THIGPEN, WARREN Marshall	5.5	406135						

Equipment

HES Unit #	Distance-1 way						
10565349	20 mile	10708073	20 mile	10804553	20 mile	10830674	20 mile
77960C	20 mile						

Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
8/7/07	5.5	3						

TOTAL Total is the sum of each column separately

Job

Job Times

Formation Name	Formation Depth (MD)	Top	Bottom	Date	Time	Time Zone	
				Called Out	07 - Aug - 2007	06:30 CST	
Form Type			BHST	On Location	07 - Aug - 2007	09:30 CST	
Job depth MD	1600. ft		Job Depth TVD	1600. ft	Job Started	07 - Aug - 2007	14:34 CST
Water Depth			Wk Ht Above Floor	30. ft	Job Completed	07 - Aug - 2007	15:27 CST
Perforation Depth (MD)	From		To		Departed Loc	07 - Aug - 2007	00:00 CST

Well Data

Description	New / Used	Max pressure psig	Size in	ID in	Weight lbf/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
LINER 7"	Used		7.	6.366	23.				1600.		1600.
SURFACE CASING	Used		9.625	8.921	36.				2000.		2000.

Sales/Rental/3rd Party (HES)

Description	Qty	Qty uom	Depth	Supplier
PLUG,CMTG, TOP, 7, HWE, 5.66 MIN/6.54 MAX CS	1	EA		

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug	7"	1	HES
Float Collar					Retainer					SSR plug set			
Insert Float										Plug Container	7"	1	HES
Stage Tool										Centralizers			

Miscellaneous Materials

Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc	%
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty	

HALLIBURTON

Cementing Job Summary

Fluid Data									
Stage/Plug #: 1									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	PREMIUM PLUS	CMT - PREMIUM PLUS CEMENT (100012205)	225.0	sacks	14.8	1.33	6.34		6.34
	94 lbm	CMT - PREMIUM PLUS - CLASS C REG OR TYPE III, BULK (100012205)							
	6.336 Gal	FRESH WATER							
Calculated Values		Pressures		Volumes					
Displacement		Shut In: Instant		Lost Returns		Cement Slurry		Pad	
Top Of Cement		5 Min		Cement Returns		Actual Displacement		Treatment	
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job	
Rates									
Circulating		Mixing	3	Displacement	3	Avg. Job	3		
Cement Left In Pipe	Amount	38.6 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					

HALLIBURTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 347563	Ship To #: 2590896	Quote #:	Sales Order #: 5281995
Customer: LONQUIST FIELD SERVICE LLC		Customer Rep: LINDT, JERRY	
Well Name: WESTERN REFINING	Well #: 4	API/UWI #:	
Field:	City (SAP): HOBBS	County/Parish: Lea	State: New Mexico
Legal Description:			
Lat:		Long:	
Contractor: ???		Rig/Platform Name/Num: ???	
Job Purpose: Cement Liner			Ticket Amount:
Well Type: Development Well		Job Type: Cement Liner	
Sales Person: THORNTON, PAUL		Srv Supervisor: EDWARDS, CHARLIE	MBU ID Emp #: 325233

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	08/07/2007 06:30							CALL CREW AND INFORM THEM THAT WE HAD A JOB PENDING
Pre-Convoy Safety Meeting	08/07/2007 08:15							INFORM CREW TO BE SAFE WHILE ENROUTE TO LOCATION AND TO OBEY ALL TRAFFIC LAWS
Depart from Service Center or Other Site	08/07/2007 08:30							
Arrive at Location from Service Center	08/07/2007 09:30							ARRIVED AT LOCATION WITHOUT INCIDENT, ACCIDENT OR INJURY
Assessment Of Location Safety Meeting	08/07/2007 09:45							CHECK LOCATION FOR ANY HAZZARDS THAT MIGHT INTERFERE WITH HES PERSONNEL IN THE PERFORMANCE OF THEIR DUTIES
Rig-Up Equipment	08/07/2007 10:00							INFORM CREW TO BE SAFE AND AWARE OF THEIR SURROUNDING WHILE ASSISTING IN RIGGING UP EQUIPMENT
Rig-Up Completed	08/07/2007 11:00							RIGUP COMPLETED WITHOUT INCIDENT OR INJURY

Sold To #: 347563

Ship To #: 2590896

Quote # :

Sales Order # :

5281995

SUMMIT Version: 7.20.130

Tuesday, August 07, 2007 03:59:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Pre-Job Safety Meeting	08/07/2007 14:20							INFORM CREW OF JOB PROCEDURE AND JOB TASKS AND ALSO TO BE AWARE OF THEIR SURROUNDING
Start Job	08/07/2007 14:34							
Test Lines	08/07/2007 14:36		3		3		3200.0	TESTLINES TO 3200PSI AND HELD
Pump Spacer 1	08/07/2007 14:37		3		30		150.0	PUMP 30BBL OF FRESHWATER AHEAD OF CEMENT
Pump Cement	08/07/2007 14:50		3		53		168.0	PUMP 225SKS OF PREMIUM PLUS CLASS "C" CEMENT MIXED AT 14.8PPG
Drop Plug	08/07/2007 15:08							DROP PLUG ON FLY
Pump Displacement	08/07/2007 15:09		3		59.5			PUMP 59.5BBL OF FRESHWATER AND CIRCULATED 10.5SKS OF CEMENT TO STEEL PIT
Check Floats	08/07/2007 15:23							FLOAT HELD
Bump Plug	08/07/2007 15:23						850.0	BUMP PLUG AT 850PSI AND PRESSURE UP TO 1180PSI LEFT HEAD ON LOCATION AND WELL HEAD CLOSE
End Job	08/07/2007 15:27							
Post-Job Safety Meeting (Pre Rig-Down)	08/07/2007 15:35							INFORM CREW TO BE SAFE WHILE ASSISTING IN RIGGING DOWN AND TO USE THE BUDDY SYSTEM WHENEVER NECESSARY
Rig-Down Equipment	08/07/2007 15:40							
Rig-Down Completed	08/07/2007 16:40							RIG DOWN COMPLETED WITHOUT INJURY OR INCIDENT

Sold To # : 347563

Ship To # :2590896

Quote # :

Sales Order # : 5281995

SUMMIT Version: 7.20.130

Tuesday, August 07, 2007 03:59:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Pre-Convoy Safety Meeting	08/07/2007 16:50							INFORM CREW TO BE SAFE ENROUTE BACK TO SERVICE CENTER OR ANOTHER LOCATION
Depart Location for Service Center or Other Site	08/07/2007 17:00							
Crew Return Yard	08/07/2007 18:00							

Sold To # : 347563

Ship To # :2590896

Quote # :

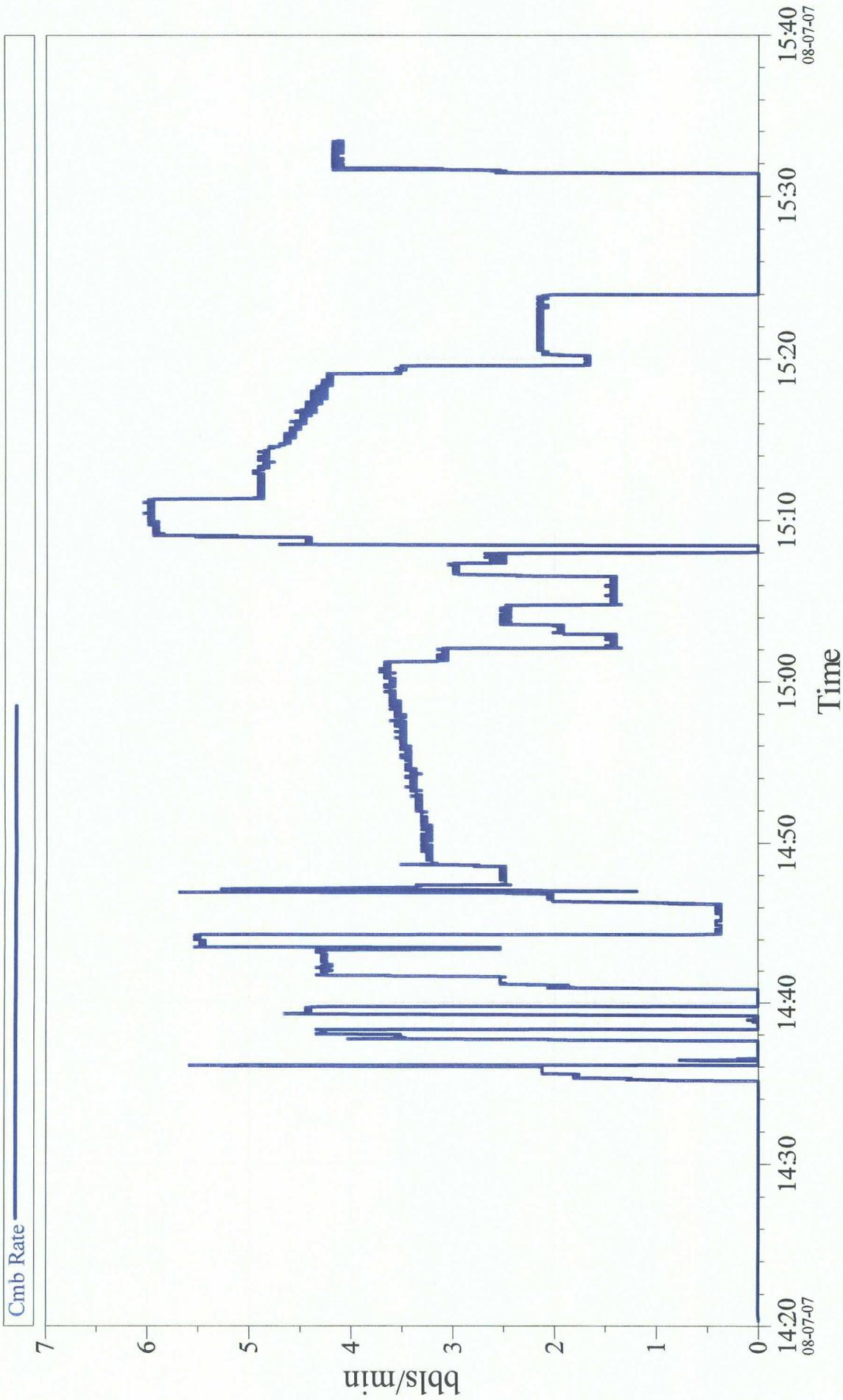
Sales Order # :

5281995

SUMMIT Version: 7.20.130

Tuesday, August 07, 2007 03:59:00

Treatment Data



HALLIBURTON
 CemWin v1.7.0
 15-Aug-07 13:00

Customer: Longquist Field Service Well Desc: Western Refining #4	Job Date: 08-07-2007 Job Type: 7 inch Liner	Ticket #:
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Treatment Data



HALLIBURTON
CemWin v1.7.0
15-Aug-07 13:02

Customer: Lonquist Field Service	Job Date: 08-07-2007	Ticket #:
Well Desc: Western Refining #4	Job Type: 7 inch Liner	

Treatment Data

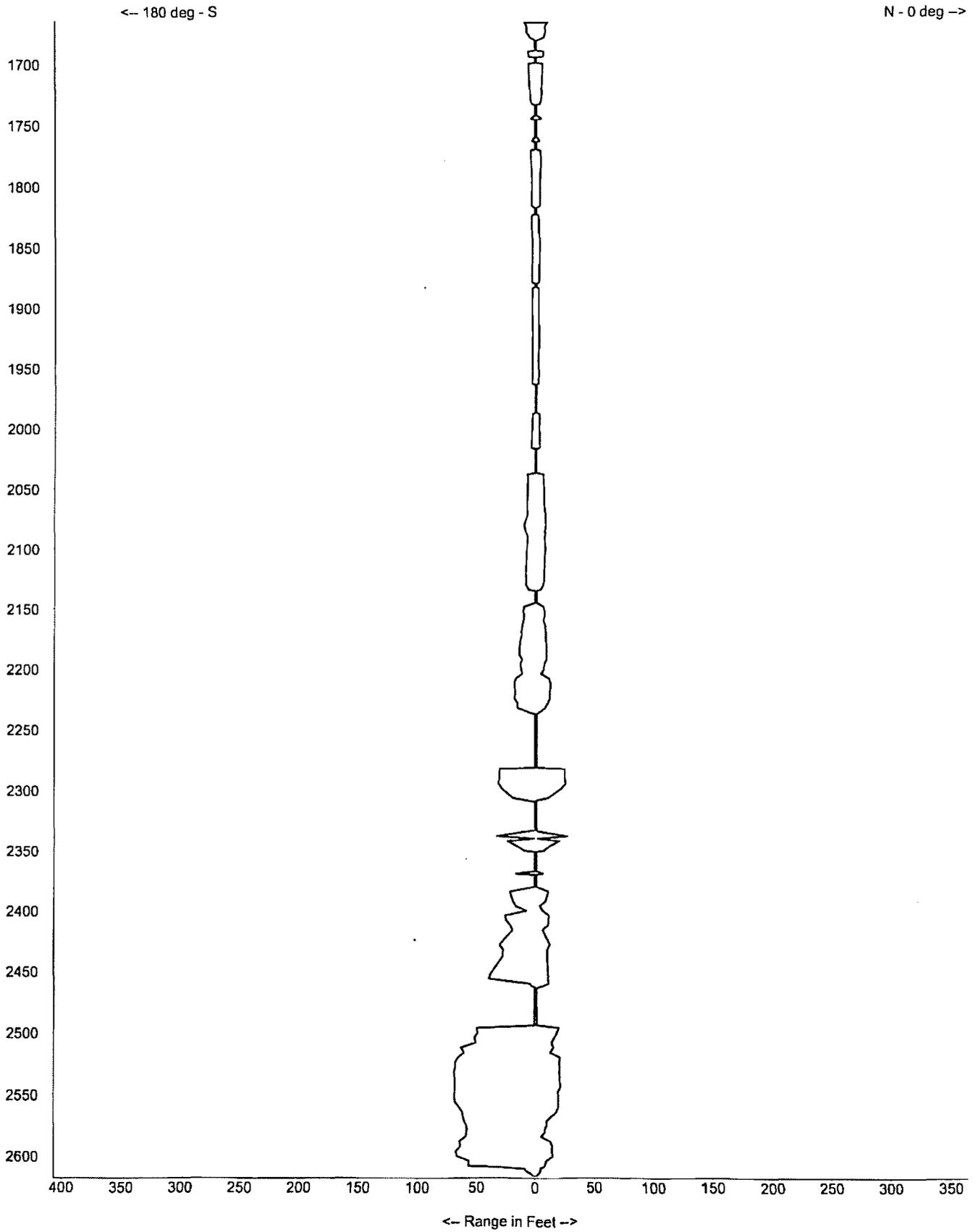


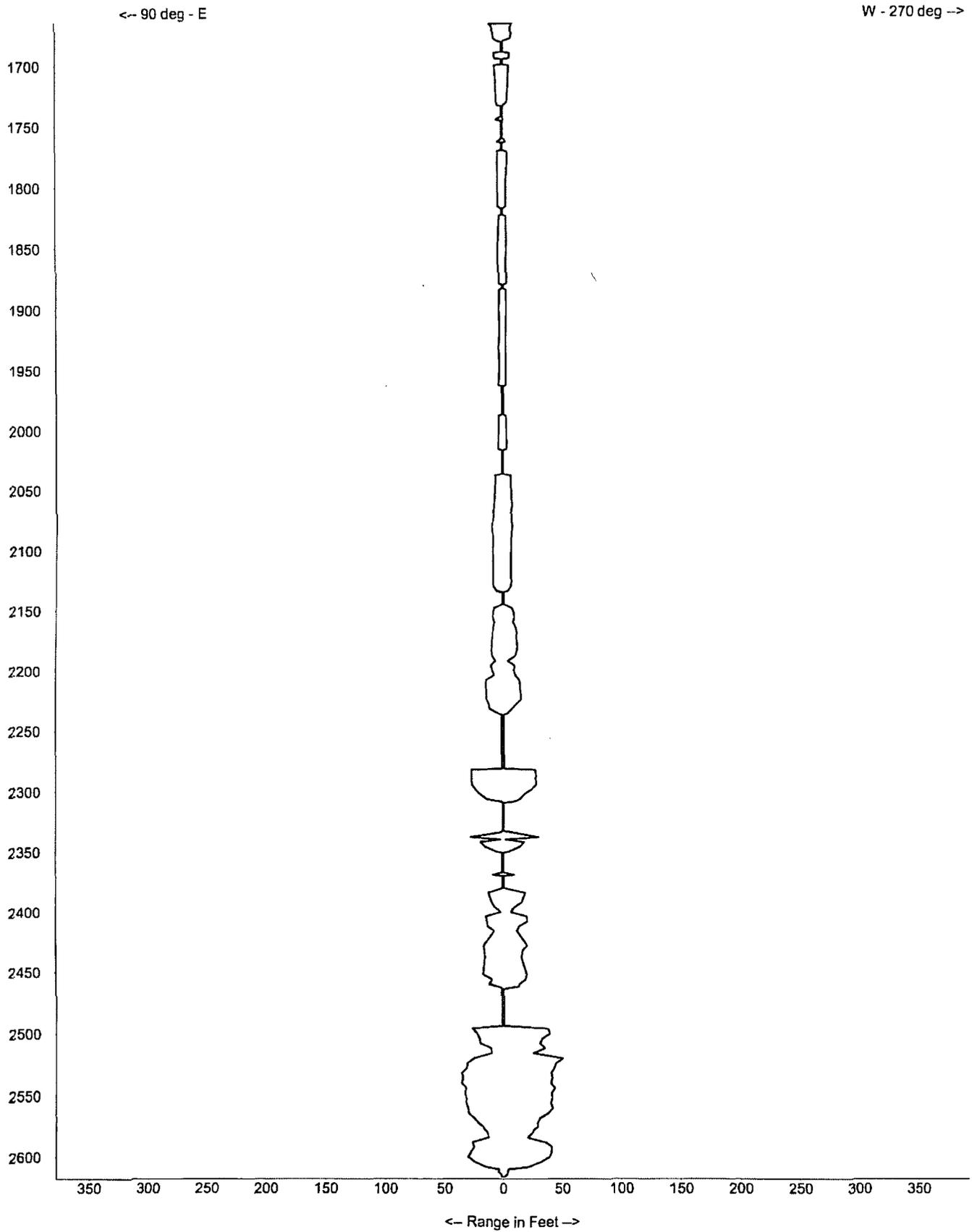
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Well Desc: Western Refining #4

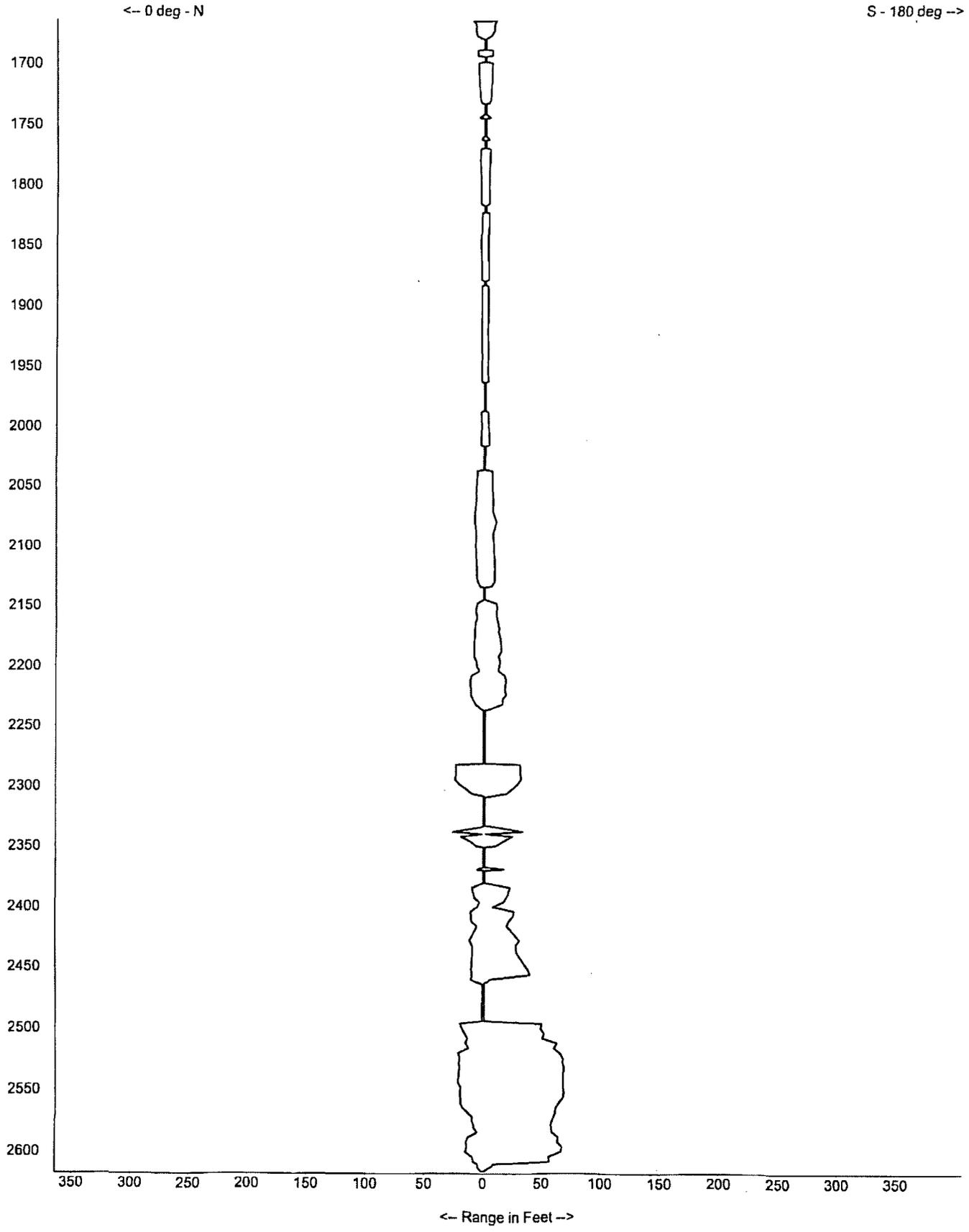
Job Date: 08-07-2007
Job Type: 7 inch Liner

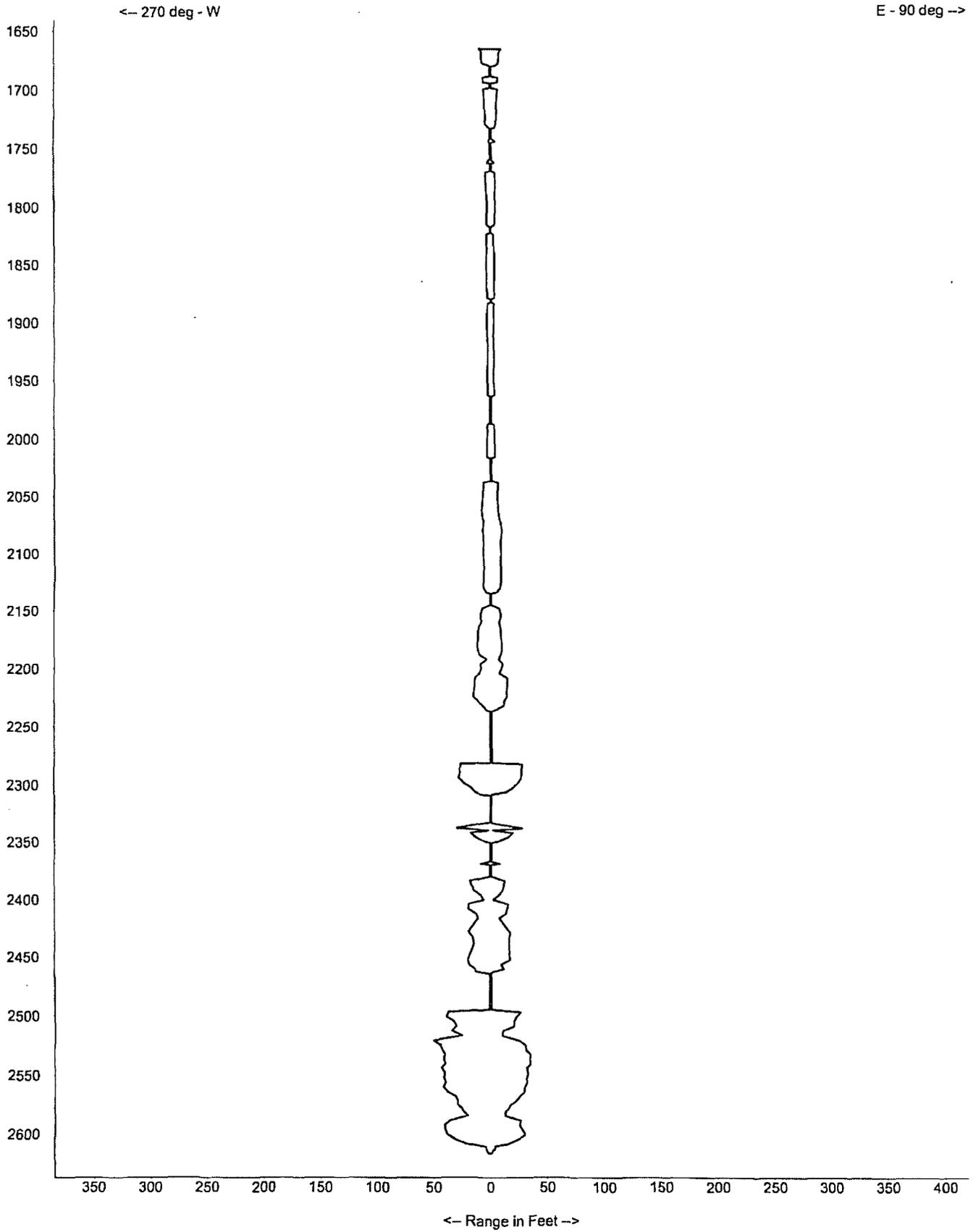
Ticket #:

HALLIBURTON
CemWin v1.7.0
15-Aug-07 13:06





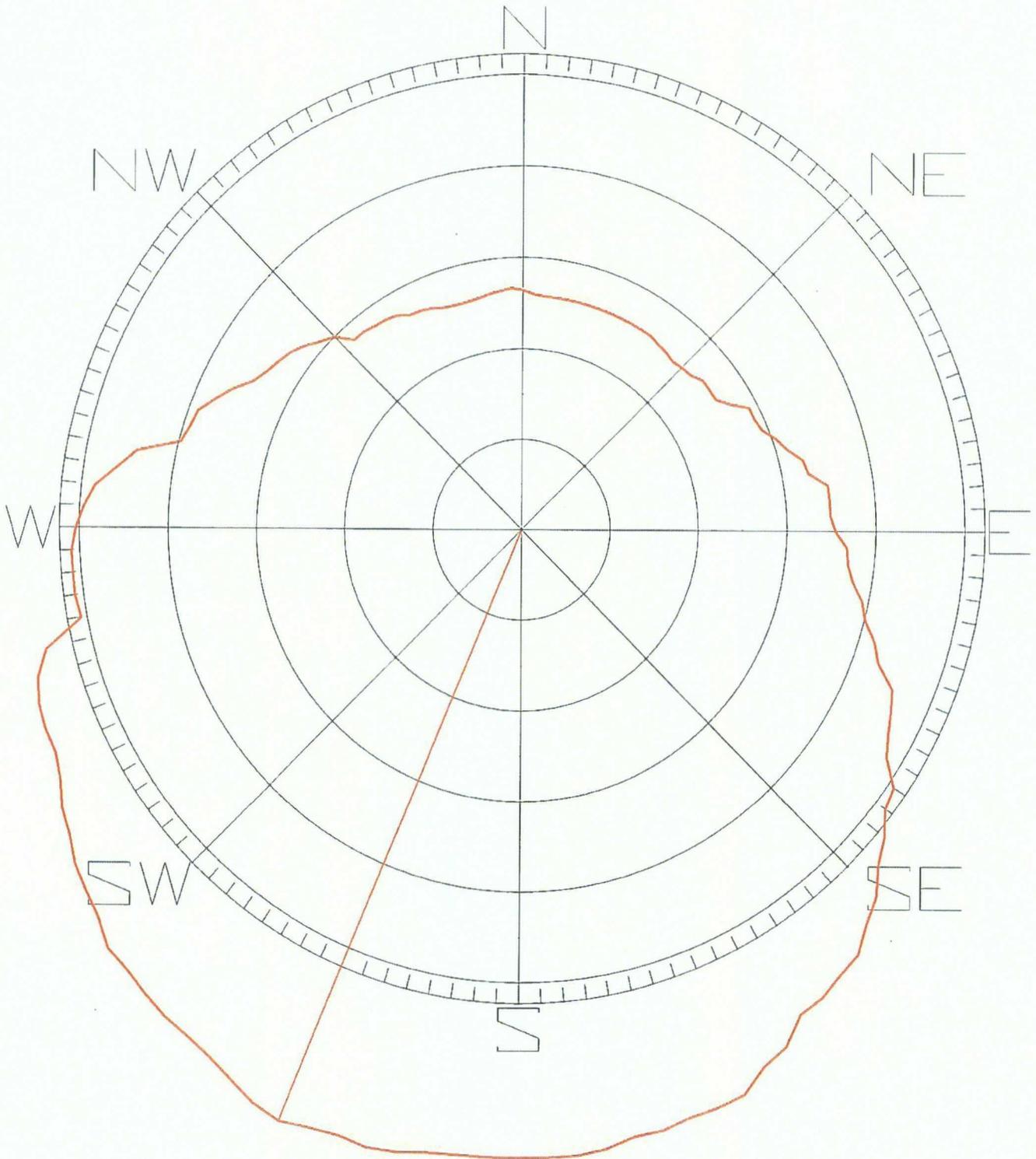




WESTERN REFINING
STATE LPG WELL NO. 4 WR-JAL-4-0708
JAL, NM

SONARWIRE, INC
Max Range vs Bearing

Max Radius= 70.4 ft @ 202.5 deg
Depth= 2596 ft. Fri, Aug 31, 2007



1 inch = 16.0 ft.

50 45 40 35 30 25 20 15 10 5 0 5 10 15 20 25 30 35 40 45 50

Executive Summary

Lonquist Field Service, LLC. (LFS) was contracted to conduct a Mechanical Integrity Test on Well No. 4 for Western Refining Company, LP (Western Refining) from August 13-19, 2007. A nitrogen-interface test method was used for this test. Nitrogen was injected into Well No. 4 on August 15, 2006 and there was a stabilization period until August 17, 2007. The well was then shut in for a period of 48 hours to conduct the actual test. After observing the change in the nitrogen interface depth the total volume change was calculated. Using an average temperature and pressure across the effected well depth and by extrapolating the time an annual net loss could be calculated. This calculation yielded a loss of 254.19 bbls of nitrogen per year and a Minimum Detectable Leak Rate (MDLR) 615.76 bbls/year. The well was tested to a test gradient of 0.76 psi/ft at the 9 5/8" casing shoe. Considering these results and the guidelines set forth by the Oil Conservation Division, Well No. 4, at the time of this test, demonstrated the mechanical integrity required for LPG storage.